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11 May 1954

MEMORANDUM FOR THE DIRECTOR:

Recommend that at the Overseas Writers you give a brief once-over of the world situation, stressing Mexico, Guatemala, Paraguay, Peru, and the rest of Central And South America, then the U.S.S.R. and Eastern Europe, followed by Western Europe and the Near East, and then the Far East.

Indochina, of course, is the most interesting and hottest situation and the one on which you will receive most questioning, particularly as to whether there are in fact Chinese Communist forces engaged in combat in Indochina and whether there were any at Dien Bien Phu; also the Navarre plan, the political and psychological effect of the loss of Dien Bien Phu, the possibility of a ten-nation Southeast Asian pact with the United States the strongest member, and whether or not our intelligence on Dien Bien Phu was inaccurate, particularly in view of the statement of General Smith several weeks ago that while the Communists were gaining real estate, Dien Bien Phu would stand.

Russia, of course, continues the over-all nation of particular interest; and its difficulties regarding consumer goods, the lure of its East-West trade offers, its agricultural difficulties, the growing importance of Khrushchev, the growing list of defectors, and the whereabouts of Burgess and MacLean are of particular interest, coming from you as the head of CIA.

The question of newspapers being subject to the penalties of the Espionage Act came up at the A.S.N.E. meeting in Washington on Friday, April 16. The EDITOR AND PUBLISHER has given it editorial comment because no newspaper published anything on it. I think it a vital thing for you to take up because I am sure you are as much opposed to censorship as is anyone connected with the press; and yet there is no individual or office in the government now that is manned by one of newspaper and security training who could give guidance to the press when requested on matters regarding security that worry them. A nice balance is needed in such a case so the public interest gets a break as well as public security. I am attaching hereto a report by Robert Brown in the EDITOR AND PUBLISHER with a quotation from the law, and also the editorial for your information. Also attached are some ideas on Indochina, Russia, etc.

STANLEY J. CROGAN

Enclosures

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~~10~~ May 1954

MEMORANDUM

INDO-CHINA

Indo-China is, in President Eisenhower's words, the cork in the bottle. Should it fall to the Communists they will have a large opportunity to overrun the whole of Southeast Asia, reviving the insurrection in Malaya, spreading into Indonesia and the Indian Ocean area right on to the shores of Australia. ¶ In such case there is no question as to what Great Britain would have to do to protect Malaya. ¶ Britain would have to fight. ¶ The free powers then would undoubtedly be united ^{for combat} and the Chinese Communists in all probability would be involved against us. ¶ Such a condition would not necessarily mean a third World War any more than Korea did. The threat of a world war, however, would be there. ¶ If Geneva does not produce a compromise for Indo-China, between [✓] victory and defeat, a most serious situation will confront the free powers as well as the Communist aggressors. In such a case you do not resist and you lose the war or you do resist and by victory you win the war.

Russia Really Never Changes

Russia is always the enigma. What will she do? It appears right now that she will go to the very brink of a World War but she will not deliberately provoke one as she is not ready right now for such a conflagration. ¶ Over the years the Russians regardless of their type of government have followed the same line. Lord Palmerston in 1839 made a remark about Russia which is as true of the Soviet Government today as it was over 100 years ago of the Czarist Government. Let me read to you Palmerston's remark:

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"Russia does not, I believe, wish to go to war with us, but is always trying to push on just to the extreme point of encroachment and aggression to which she may be allowed to go without war. She then halts to take breath and waits till people are looking another way to make another step or two forward."

Soviet tactics change but the Soviet long-term policy does not change.

¶ Right now the Russians are having a propaganda spree offering improved trade between East and West. *This is alluring and alarming.* There is a great shortage of grain and timber in Russia today. Russia has a big *propaganda* play on the Geneva Conference, ~~and~~ in an effort to divide the Allies is speaking of increased trade not only with the Soviet but with its European satellites. ¶ China is rarely mentioned and that brings up the first error in discussing Soviet-European trade. The Soviet-Chinese bloc is a monolithic integration. It is a closed economy society and when you trade with any part of it you are trading with the whole Communist bloc. It is not just a commercial matter, it is a political matter as well and touches on the security of the free world. Russia is trying hard to improve its internal supply of goods and food. Communist China ~~is looking toward~~ *needs* heavy equipment and industry to modernize its armed forces and equip these forces. Three-fourths of China's trade is toward the Soviet bloc. The coal and raw materials that China formerly exported to Japan are now being used in China's own growing industry. Trade with totalitarian nations can never be separated from politics because the totalitarian nation is a major political weapon.

Russia does not have a Battle act, ~~because~~ it does not need one. The Russians do not need to impose embargo or controls for the very factual reason that the entire trade is controlled by the State and anything that is exported to the West gets a specific approval.

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So any ~~business in~~ trade that is done with the Soviet Union is also being done with the Chinese Communist government indirectly if not directly.

The battle for grain is very important in Russia today. The Kremlin is ^{concerned} ~~very active~~ over the poor state of agricultural production and is offering a new policy of incentives to the peasants through tax relief and higher prices. No longer does Khrushchev say that the bread problem has been solved. He now urges the peasants to improve their acreage for grain and other fodder so that the livestock will be better ~~and more numerous.~~

Freedom of the Press
In talking with a newspaper group as important as this one I believe it my duty to state that through the American press--by this I mean all media of public communication--through Congressional hearings and through governmental press releases we tell the Russians too much. I stand with Thomas Jefferson that the freedom of the press is the great bulwark of all liberty and if there is restraint all liberty fails.

For more than 160 years our people have enjoyed a free press. We have not been under a government controlled press or a church controlled press and have had the liberty to worship God as we see fit and to express our views on any subject orally or in writing as we see fit.

But while most of the press may be blameless ~~there is always on a~~ security level the possibility that some owners and publishers might abuse the freedom. There are I am sure disreputable newspapers just as there are dishonest merchants, grafting public officers and traitors in and out of Government. But the great great majority of our people ^{and} ~~as~~ the great great majority of our newspapers, radios, etc. are honest and do not abuse the privileges granted under the American Constitution.

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I noted in the Editor and Publisher of April 24 this year that the American Society of Newspaper Editors Freedom of Information Committee pointed out the possible application of the Espionage Act to newspapers to those who receive classified information improperly as well as those who ^{disclose} ~~discuss~~ it improperly and warn that newspapers in general feels "an enormous challenge to protect national security while at the same time protect peoples right to know." The Editor and Publisher ^{said} ~~which is your trade journal pointed out~~ that the Committee's report received no notice in the daily press. It then went on to ^{say} ~~point out~~ that there have been breaches of important security information in some columns out of Washington and that some news syndicates have passed this on to their clients without checking or verifying the material. *I repeat the statement of the Editor and Publisher.*

I do not know a single Editor who would endanger the security of our country. I am sure that no newspaperman regardless of how exclusive the information he may have is would transmit vital security information to our enemy. *I have full faith in our free American press. I regret that the potential enemy receives much intelligence from our press — But, like Jefferson, between a free press and a free government, I'd choose the free press.*